

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6161**

**BILL NUMBER:** SB 299

**NOTE PREPARED:** Dec 27, 2004

**BILL AMENDED:**

**SUBJECT:** Lead Poisoning and Children.

**FIRST AUTHOR:** Sen. Simpson

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
X FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill requires the Office of Medicaid Policy and Planning to develop: (1) measures to evaluate Medicaid managed care organizations in screening children for lead poisoning; (2) a system to maintain the results of the evaluation; and (3) a performance incentive program. The bill also requires the State Department of Health to adopt rules for case management of children with lead poisoning. (The introduced version of this bill was prepared by the Select Joint Commission on Medicaid Oversight.)

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:** The Office of Medicaid Policy and Planning (OMPP) and the State Department of Health (ISDH) have both reported that the requirements of this bill can be accomplished using existing resources. This will be accomplished by seeking to optimize federal Medicaid matching options that may be available. OMPP and ISDH report that they are in the process of updating the interagency agreement that would permit the Department to claim Medicaid federal administrative match of 50% on state and local health department costs for providing case management and environmental investigations for Medicaid enrollees diagnosed with elevated blood lead levels. OMPP has been seeking federal approval for the use and reimbursement of contracted environmental investigators and case managers for local health departments that may not have sufficient need or resources to employ dedicated staff. OMPP is also seeking approval to receive a higher federal match rate for case management and investigative services.

Lead testing of Medicaid-enrolled children is a federal requirement. OMPP has reported that they are developing a measurement to track Medicaid managed care organizations' (MCOs) compliance with lead testing requirements. Once the reliability of the measure is established, it will be included as part of the MCO

incentives strategy included in the MCO contracts.

*Background Information on Laboratory Testing:* Under current lead monitoring activities for children under age 7 years, the Department of Health receives a federal grant. This grant pays for expenses associated with maintaining 7 staff positions. However, it does not provide funds for laboratory testing. The Department reports that lead tests cost the state about \$15 each, and approximately 14,000 samples were tested in the Department's lab in FY 2002. The laboratory testing expense is paid with funds provided from the Department's main administrative appropriation due to the lack of billing capability. The Department is not able to quantify the number of tests performed for Medicaid-eligible children at this time.

*Background Information on Appropriations:* The Indiana State Department of Health administrative appropriations were made from the dedicated Tobacco Master Settlement Agreement Fund for FY 2004 and FY 2005. Revenues from fees and penalties collected by the Department are deposited in the General Fund, with augmentation allowed in amounts not to exceed the additional revenue from fees or penalties received after July 1, 2003. The funding source of the FY 2006 and FY 2007 ISDH administrative appropriations will be determined by the General Assembly.

**Explanation of State Revenues:** Medicaid is a jointly funded state and federal program. Funding for direct services is reimbursed at approximately 62% by the federal government, while the state share is about 38%. Funding for administrative services is shared 50/50. In addition, an enhanced administrative match of 75% may be available for activities that require the training of, and are performed by, "skilled medical professional personnel .

**Explanation of Local Expenditures:** Some of the larger local health departments provide case management and investigative services for lead-exposed children. This bill could result in the use of current expenditures to leverage federal funds to expand these efforts.

**Explanation of Local Revenues:**

**State Agencies Affected:** Office of Medicaid Policy and Planning, Family and Social Services Administration; Indiana State Department of Health.

**Local Agencies Affected:** Local Health Departments.

**Information Sources:** Melanie Bella, Assistant Secretary, Office of Medicaid Policy and Planning, 317-233-4455; Zach Cattell, Legislative Liaison, Indiana State Department of Health, 217-233-2170; "ISDH and OMPP Partnership Activities to Prevent Lead Poisoning in Indiana, October 18, 2004" presented at the October 18, 2004, meeting of the Select Joint Commission on Medicaid Oversight; Indiana's Childhood Lead Poisoning Elimination Plan, prepared by the Indiana Childhood Lead Poisoning Prevention Program, July 13, 2004; and Recommendations for Blood Lead Screening Of Young Children Enrolled in Medicaid: Targeting a Group at High Risk, for the Advisory Committee on Childhood Lead Poisoning Prevention (ACCLPP), by Alan B. Bloch, M.D., M.P.H., and Lisa R. Rosenblum, M.D., M.P.H., of the National Center for Environmental Health at: <http://www.cdc.gov/mmwr/preview/mmwrhtml/rr4914a1.htm>

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